



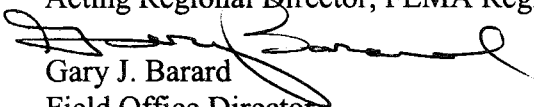
DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Atlanta Field Office - Audit Division
3003 Chamblee Tucker Rd
Atlanta, GA 30341

September 11, 2003

MEMORANDUM

TO: Joseph F. Picciano
Acting Regional Director, FEMA Region II

FROM: 
Gary J. Barard
Field Office Director

SUBJECT: New Jersey State Police
FEMA Disaster No. 1295-DR-NJ
Audit Report No. DA-26-03

The Office of Inspector General (OIG) audited public assistance funds awarded to the New Jersey State Police. The objective of the audit was to determine whether the State Police accounted for and expended FEMA funds in accordance with federal regulations and FEMA guidelines.

The State Police received an award of \$202,562 from the New Jersey Office of Emergency Management, a FEMA grantee, for emergency protective measures as a result of Hurricane Floyd in September 1999. The award provided 75 percent FEMA funding for 2 large projects and 1 small project¹. Audit work was limited to the \$200,767 awarded and claimed under the 2 large projects, as follows:

| Project Number | Amount Awarded | Amount Claimed |
|-------------------|-------------------|-------------------|
| 1497 | \$101,197 | \$101,197 |
| 1678 | 99,570 | 99,570 |
| Total | <u>\$200,767</u> | <u>\$200,767</u> |

The audit covered the period September 1999 to April 2001. During this period, the State Police received \$150,575 of FEMA funds under the two large projects.

¹ According to FEMA regulations, a large project costs more than \$47,800 and a small projects costs \$47,800 or less.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of the State Police's accounting records, a judgmental sample of expenditures, and other procedures considered necessary under the circumstances.

RESULTS OF AUDIT

Except for questioned costs of \$1,651 (FEMA share \$1,238) resulting from unrelated and unsupported charges under Project 1678, the State Police properly accounted for and used FEMA funds. The State Police's claim under the project included non-disaster related charges of \$938. These improper charges, according to State Police officials and employee time sheets, represent payments made to an employee for commuting from a disaster job site to a non-disaster job site. To be eligible for FEMA financial assistance, an item of work must be required as a result of the disaster (44 CFR 206.223).

Also, for one employee, the State Police claimed \$713 of overtime salaries that were not supported by time and attendance records. The employee's time sheet reflected only regular hours worked. Federal regulation (44 CFR 13.20) requires subgrantees to maintain supporting documentation for all charges under FEMA projects.

RECOMMENDATION

The OIG recommends that the Regional Director, in coordination with the grantee, disallow the \$1,651 of questioned costs.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW UP

The audit results were discussed with FEMA, grantee and State Police officials on July 16, 2003. State Police officials concurred with the findings.

Please advise the Atlanta Field Office - Audit Division by October 13, 2003 of the actions taken to implement the OIG recommendation. Should you have any questions concerning this report, please contact me or David Kimble at (770) 220-5242.